

**NATIONAL DAIRY MARKET AT A GLANCE**

At the Chicago Mercantile Exchange, Grade AA butter increased 1 cent to \$1.1600, Grade A increased 1 cent to \$1.0600, and Grade B increased 2 cents to \$1.0500. At the National Cheese Exchange in Green Bay, barrels decreased 1 cent to \$1.2700 and 40# blocks are steady at \$1.3250.

On March 7, 1997, the U.S. Department of Agriculture released three reports addressing Class I price structure, classification of milk, and identical Federal order provisions as part of the Federal order reform process and invited all interested parties to submit ideas and recommendations on these issues. The reports address several issues that are relevant to Federal milk order reform. The Class I price structure report analyzes six pricing options and sets forth the estimated impacts on Class I differentials resulting from each of the concepts. The classification of milk report suggests the reclassification of a few products and suggests eliminating or modifying Class III-A pricing for milk used to produce nonfat dry milk. The identical provisions report outlines the basis for developing all Federal milk orders in a simplified, standard format. Written ideas on Federal milk order reform issues should be submitted to Richard M. McKee, Director, Dairy Division, AMS/USDA ROOM 2971, South Building, P.O. Box 96456, Washington, DC 20090-6456 or may be E-mailed to Milk\_Order\_Reform@usda.gov. The complete reports issued today may be obtained by calling the above office at (202) 720-4392. These reports can also be obtained from any Milk Marketing Administrator office, or via the Internet at <http://www.usda.gov/ams/dairy.htm> under the "Federal Milk Order Reform" heading.

The "basic formula price used in Federal Orders" for February 1997 is \$12.46 per cwt. at 3.5% test, 52 cents higher than January and 13 cents below February 1996. The February basic formula price is the January base month M/W price of \$12.00 plus a change of \$0.46, which is the change in the butter/powder/cheese formula from January to February. The butterfat differential is \$.10. Class III-A prices are: for Federal Orders 1 & 2, \$12.38; for Order 4, \$12.40; for Orders 124, 131, & 135, \$12.14; for other affected orders, \$12.36.

According to NASS, butter production was 125.4 million pounds in January, slightly below January 1996 but 12.9% above December 1996. American type cheese production totaled 281.1 million pounds, 2.1% above last year but 1.0% below December. Total

cheese output (excluding cottage cheese) was 599.1 million pounds, up 2.3% from January 1996 but 4.7% below December. Nonfat dry milk for human food, is 92.4 million pounds, down 6.6% from a year ago and 8.8% from last month.

According to ERS and AMS, commercial disappearance of dairy products during the fourth quarter of 1996 totals 38.8 billion pounds, up 0.3% from the comparable quarter in 1995. For the year, commercial disappearance is estimated at 155.1 billion pounds, down 0.1% on a daily average basis (editors note: 1996 had one more day than 1995). Comparing disappearance levels with a year ago: butter was lower and all others were higher.

According to NASS, the index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in February 1997 was unchanged at 116. Compared with February 1996, the index was up 3 points (2.7%). The index of prices received by farmers for dairy products declined 1 point during the month of February 1997 to 102. Compared with February 1996, the index was down 4 points (3.8%). On a 3.5% butterfat basis, prices received by farmers in February with changes from January were: for All Milk, \$13.06, down 13 cents; for Fluid Grade Milk, \$13.07, down 12 cents; and for Manufacturing Grade Milk, \$11.82, up 5 cents.

During the week of March 3 - 7, there was no CCC activity under the price support program.

**CORRECTION:** The February monthly DEIP total for butter on page 9 of this report should be 158 metric tons, instead of as printed.

**\*\*\*SPECIAL THIS ISSUE\*\*\***

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**BUTTER MARKETS****CHICAGO WHOLESALE**

Dollars per pound, trucklot, bulk in fiber boxes, delivered metropolitan area, prices include CCC purchase price whenever bulk butter is moving to CCC from the Midwest area.

GRADE	MARCH 04	MARCH 06	MARCH 07
AA	\$1.1500 - 1.1600	\$1.1500 - 1.1600	\$1.1500 - 1.1600
A	\$1.0500 - 1.0600	\$1.0500 - 1.0600	\$1.0500 - 1.0600

( ) Change from previous price.

**BUTTER HIGHLIGHTS:** At the Chicago Mercantile Exchange, all grades of bulk butter are higher. Churning schedules are mixed ranging lighter to seasonally active. Buying interest is good as orders for upcoming Easter needs are placed and shipped. Butter handlers are stating that retail feature activity during the next 3 - 4 weeks will not be as active as previously scheduled. Stocks of butter are sufficient for current needs. January 1997 butter production across the U.S. was 13% higher than December with output in Oregon being 29% heavier, Minnesota and Washington +18%, Wisconsin +17% and California +10%.

**CHICAGO MERCANTILE EXCHANGE**

Butter Transactions on **FRIDAY, MARCH 07, 1997**  
(CARLOT UNIT = 40,000 - 42,000 LBS.)

GRADE	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION - LST
AA	+ 1	\$1.1600 : SALE 03/07/97
A	+ 1	\$1.0600 : BID 03/07/97
B	+ 2	\$1.0500 : BID 03/07/97

SALES: 2 CARS GRADE AA @ \$1.1600

BIDS UNFILLED: 9 CARS GRADE AA: 1 @ \$1.0300, 8 @ \$1.1600  
1 CAR GRADE A @ \$1.0600  
1 CAR GRADE B @ \$1.0500

OFFERS UNCOVERED: NONE

**CHEESE MARKETS****WISCONSIN ASSEMBLY POINTS**

Dollars per pound, standard moisture basis (37.8-39.0%), carlot/trucklot, F.O.B. plants or storage centers, prices include CCC purchase price whenever cheese is moving to CCC from the Midwest area.

CHEDDAR STYLES	MARCH 3 - 7, 1997
BARRELS*	\$1.2700 - 1.2900 (NOMINAL)
40# BLOCKS	\$1.3250 - 1.3550

( ) Change from previous week. \* If steel, barrel returned.

**CHEESE HIGHLIGHTS:** The cheese market is unsettled. Prices are mixed in light trading at the National Cheese Exchange. Current movement is mostly steady at best. Natural sales remain better than process. Bulk cheese inventories are at least adequate for the current levels of sales. Cheese production is increasing seasonally as milk intakes advance for many operations.

**NATIONAL CHEESE EXCHANGE, INC.**

Cheese Transactions on **FRIDAY, MARCH 07, 1997**  
(CARLOT UNIT = 40,000-44,000 LBS.)

CHEDDAR STYLES	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION
BARRELS	- 1	\$1.2700 : OFFER 03/07/97
40# BLOCKS	N.C.	\$1.3250 : SALE 03/07/97

SALES ON OFFERS: 11 CARS BARRELS: 6 @ \$1.2800, 5 @ \$1.2725  
4 CARS 40# BLOCKS @ \$1.3250 (LST)

BIDS UNFILLED: NONE

OFFERS UNCOVERED: 6 CARS BARRELS: 3 @ \$1.2725,  
3 @ \$1.2700 (LST)

**COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS--OCTOBER-DECEMBER AND YEAR-TO-DATE 1995-96<sup>1/</sup>**

Item	Oct.-Dec. 1995	Percent change <sup>4/</sup>	Oct.-Dec. 1996	Percent change <sup>4/</sup>	Jan.-Dec. 1995	Percent change <sup>4/</sup>	Jan.-Dec. 1996	Percent change <sup>4/</sup>
	Million Pounds							
<b><u>MILK</u></b>								
Production	37,740	-0.5	37,947	0.5	155,424	1.1	154,268	-1.0
Marketings	37,347	-0.4	37,588	0.6	153,862	1.2	152,840	-0.9
Beginning Commercial Stocks <sup>2/</sup>	4,559	-1.1	4,936	8.3	4,263	-6.3	4,099	-3.8
Imports <sup>2/</sup>	933	11.6	1,005	7.7	2,938	2.0	2,911	-0.9
Total Supply <sup>3/</sup>	42,839	-0.3	43,529	1.6	161,063	1.0	159,850	-1.0
Ending Commercial Stocks <sup>2/</sup>	4,099	-3.8	4,697	14.6	4,099	-3.8	4,697	14.6
Net Removals <sup>2/</sup>	65	-92.2	25	-61.5	2,105	-56.2	91	-95.7
Commercial Disappearance <sup>3/</sup>	38,675	2.2	38,807	0.3	154,859	3.0	155,062	-0.1
<b><u>SELECTED PRODUCTS <sup>5/</sup></u></b>								
Butter	305.0	2.2	308.6	1.2	1,182.5	7.8	1,170.3	-1.4
American Cheese	801.2	8.1	813.4	1.5	3,145.7	3.8	3,240.2	2.7
Other Cheese	1,113.6	3.1	1,129.0	1.4	4,094.7	1.0	4,180.5	1.8
Nonfat Dry Milk	218.2	6.4	206.7	-5.3	924.5	0.7	1,002.3	8.1
Fluid Milk Products <sup>6/</sup>	14,045.4	-0.5	14,186.8	1.0	55,117.2	-0.3	55,796.6	1.0

<sup>1/</sup> Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. <sup>2/</sup> Milk-equivalent, milkfat basis. Calculated using slightly different factors than previously. Further changes may be made as technical parameters become available. <sup>3/</sup> Totals may not add because of rounding. <sup>4/</sup> From year earlier on a daily average basis. <sup>5/</sup> Commercial disappearance in product pounds. <sup>6/</sup> Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA. This information is now available through AutoFAX. To request a document, dial (202) 219-1107 and enter document number 11521 when prompted.

## PRINT BUTTER MARKETS - GRADE AA

## NORTHEAST

Prices and the market tone are unchanged. Butter production in the Northeast is moderate, but with most schools back in session after vacations, a little less surplus milk is available this week. Producers' stocks are light and most do not really want to build much of an inventory at current price levels. Therefore, producers and distributors are trying to clear most of their stocks. Demand for both bulk and print butter is a little less aggressive, but still termed as good. Retail movement is just fair as recent price increases have been passed along to shoppers. Food service orders are starting to pick up for Easter and Passover needs.

WHOLESALE PRICES: MIN 25 BOXES  
DOLLARS PER POUND, DELIVERED EAST COAST CITIES

1/4 LB. PRINTS	:	1.3600-1.5875
1 LB. PRINTS	:	1.2750-1.4575
CHIPS/PATTIES	:	1.3375-1.5075
REDDIES	:	1.4125-1.6075
CONTINENTALS	:	1.4925-1.6675

## CENTRAL

Print butter markets are basically steady at unchanged prices. Buying interest has slowed, especially from buyers that were acquiring additional stocks for future needs. Current buying interest is active for the period before Easter. Some retail outlets plan to run previously scheduled features during the next few weeks, while others are canceling their plans. Stocks are sufficient for current and near term needs. Butter production is active with most butter producers holding with confidence surplus volumes. Cream demand remains quite strong from ice cream producers.

FOB CENTRAL STATES PLANTS: MIN 20,000 POUNDS, \$ PER POUND

1/4 LB. PRINTS	:	1.2500-1.6575
1 LB. PRINTS	:	1.2150-1.3775
CHIPS/PATTIES	:	1.2400-1.4500
REDDIES	:	1.3225-1.5600
CONTINENTALS	:	1.4800-1.6700

## WEST

Western print butter markets are steady at unchanged prices. Most butter producers/handlers feel that the market will remain steady for the next few weeks, but then prices will adjust downward. Buying interest is slower this week, especially for future needs. Upcoming Easter orders are mixed. Some butter producers continue to sell cream. As sales lag previous aggressive levels, many producers are pleased to sell the cream versus churn at this time, although most producers that have additional butter stocks, are holding them with confidence.

WHOLESALE SELLING PRICES: DELIVERED WESTERN CITIES  
150 - 1000 POUNDS, DOLLARS PER POUND

1/4 LB. PRINTS	:	1.4350-1.4825
1 LB. PRINTS	:	1.3425-1.4250
PATTIES	:	1.3950-1.5725
REDDIES	:	1.5225-1.5525

FOB CALIFORNIA PLANTS - GRADE AA  
100 CASES AND UP, DOLLARS PER POUND

1/4 LB. PRINTS	:	1.1600-1.2125
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WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
03/01/97	12,968	101,219
02/01/97	8,816	107,036
CHANGE	+4,152	- 5,817
% CHANGE	+ 47	- 5

Based on the historical relationship of the preliminary U.S. Cold Storage report of Jan. 31, 1997 and the selected centers storage report, the expected U.S. holdings as of March 1, 1997 are:

Butter 32 million pounds plus or minus 3.24 percent  
Cheese 370 million pounds plus or minus 4.98 percent

## CHEESE MARKETS

## NORTHEAST

Prices are steady to higher. Some suppliers, who didn't adjust prices earlier in the month, have now passed along increases. The market tone is mostly steady. Production levels are mostly steady, but during the past couple weeks when many schools were on vacation, more surplus milk was available in the region. Most schools are back in session and surplus milk volumes have declined. Cheese stocks are adequate for overall needs. However, aged cheddar remains tight. Producers' stocks range from light to adequate. Food service orders are beginning to improve for Easter needs. Retail movement is about steady.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.3450-1.8075
Cheddar Single Daisies	:	1.3150-1.8025
Cheddar 40# Block	:	1.4625-1.6125
Process 5# Loaf	:	1.4900-1.6300
Process 5# Sliced	:	1.5100-1.6450
Muenster	:	1.5050-1.9025
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

## MIDWEST

The cheese market is steady. The final transactions on both blocks and barrels at the National Cheese Exchange on February 28 were unchanged from the previous week. Cheese supplies overall are at least adequate with spot offerings available with little lead time needed. Process demand is steady to just slightly improved, overall about fair. Undergrade sales as processing solids are steady to improved. Natural sales, depending on variety, remain stronger than process. Much confusion in the industry, continues over how cheese may be priced if the current benchmark, the National Cheese Exchange, disappears. Swiss sales are fair at best, producers have had to work harder to keep inventories from accumulating. Estimated American cheese output in selected Midwestern states during January compared to January 1996 are: Wisconsin 81 million pounds, up 300,000 pounds (0.4%); Minnesota 48.5 million pounds, down 3.4 million pounds (6.5%); Iowa 8.7 million pounds, up 569,000 pounds (7.0%); and South Dakota 4.5 million pounds, up 359,000 pounds (8.7%).

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.5875-1.6175
Brick And/Or Muenster 5#	:	1.6200-1.7825
Cheddar 40# Block	:	1.5775-1.9250
Monterey Jack 10#	:	1.7775-1.9250
Blue 5#	:	1.9300-2.1500
Provolone 10 - 12#	:	TFEWR
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6600-1.9150
Grade A Swiss Cuts 6 - 9#	:	2.2400-2.5300

## WEST

No price changes are noted for Western cheese. Buying interest has generally improved for processing solids and natural cheese. A number of manufacturers would like to have some additional milk to make into cheese, but they are not able to acquire additional volumes at favorable prices. Swiss and mozzarella sales are rated as good. Swiss cheese production in January for the U.S. totals 17.3 million pounds, 13% ahead of one year ago. Total cheese production stands at 599.1 million pounds, up 2% from January 1996. U.S. American cheese production totals 281.1 million pounds, up 2% from last year. American output for selected Western states compared to last year is as follows: California up 21%, Idaho up 1%, Oregon up 4%, Utah down 12%, and Washington up 26%.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.4725-1.7125
Cheddar 40# Block	:	1.5075-1.7300
Cheddar 10# Cuts	:	1.7475-1.8475
Monterey Jack 10#	:	1.6875-1.8100
Grade A Swiss Cuts 6 - 9#	:	2.3200-2.3525

## FOREIGN TYPE CHEESE

Prices are unchanged and the market tone is steady. Last week, the EU reduced export subsidies on cheese to the U.S. by approximately 30%. This will increase prices for cheese importers. Reports indicate that Swiss prices may be most affected. Prior to the announced change, it was rumored that subsidies would be totally eliminated. These rumors caused a great deal of concern in the imported cheese market. Demand for foreign-type cheese is steady to slightly improved. Distributor stocks range from light to adequate.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 1.6600-2.2275
Gorgonzola	: 3.2400-5.9400	: 2.2825-2.4900
Parmesan (Italy)	: 7.1700-8.0000	: 3.0325-3.1075
Romano (Italy)	: 2.3900-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.3325-1.8400
Romano (Cows Milk)	: -0-	: 2.8625-3.0675
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.1200	: -0-
Swiss Cuts Switzerland	: -0-	: 2.2500-2.5050
Swiss Cuts Finnish	: 2.5900-2.7200	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

\* = Price change.

## FLUID MILK AND CREAM

## E A S T

Following the announcement of the February BFP, Eastern Milk Market Administrators announced changes to their class prices. The February BFP is \$12.46, up 52 cents from January. In all orders the April Class I & II milk prices will be up 52 cents from March. In orders 1, 2, and 4, the February Class III is up 51 cents; 52 cents in all other orders. The February Class III-A is \$12.38 in orders 1 & 2, \$12.40 in order 4, and \$12.36 in all other Eastern orders. The butterfat differential is \$0.100. Milk production is mixed. Increases are still noted in the Middle Atlantic and Northeast, but output is dropping in Florida. Hot weather has covered much of the Deep South and the milk flow has been adversely affected. The turn around has been very fast. Florida handlers were shipping milk out of state as recently as last weekend. These same handlers were importing milk by Wednesday. Florida is "full of tourists" and demand is good. Elsewhere, bottled milk sales are generally slow to fair. Adverse weather, storms, and floods haven't slowed milk output and farm pick ups, but deliveries to plants in those areas most affected by floods (the Ohio River Valley) have been a problem. Surplus milk volumes are mixed and range from lighter to heavier. In the Southeast, where Class I demand is very good, manufacturing plants that were full now have a couple "down days" each week. Farther north, surplus milk volumes are about steady, but some plant problems have caused milk to move to other-than-normal outlets. The condensed skim market tone is mostly steady. March has a higher Class II milk price than February, but wet solids' prices are mixed; higher at the low end while lower at the high end of the range. The unseasonably high butter/fat prices are helping keep solids prices from rising too much. Demand for condensed skim ranges from fair to improved. The fluid cream market is firm. Offerings are mixed. Over the weekend, cream offerings were heavy, but tightened under improved demand. Spot prices are steady to higher, particularly at the lower end of the range. As one contact put it, "right now, there isn't any cheap cream." Cream cheese and sour cream production are holding up quite well. Ice Cream output is increasing slightly along seasonal patterns. Churning activity is moderate and butter makers are actively looking for cream. Demand for butter remains good, but there is growing price resistance.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	1.3650 - 1.4805
Delivered Equivalent Atlanta	-	1.3440 - 1.6185 M 1.3545-1.3860
F.O.B. Producing Plants: Upper Midwest	-	1.4070 - 1.4805

## PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	-	1.1000 - 1.1500
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## M I D W E S T

## WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
FEBRUARY 28 - MARCH 6, 1997	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1996	0

The February BFP manufacturing milk price was released at \$12.46 at 3.5 test, up \$0.52 from January. Class I interest through much of the region is improved, ranging from moderate to very good, bolstered by the usually stronger first of the month improvement and some retail promotional activity. Due to the tight supplies and heavy schedules

by bottlers at midweek, extra loads of milk were imported from Minnesota and Iowa into the Chicago area. Manufacturing milk interest remains seasonally good. Reported spot prices are \$.75 to \$1.50 over class. Class II milk interest also remains strong. Cream prices are relatively unchanged within the range. Ice cream production remains seasonally active as is churning and cottage cheese. Cream prices are relatively unchanged within the range. Ice cream production remains seasonally active as are churning and cottage cheese. Milk production is increasing fairly rapidly in southern and central sections of the region. In more northern sections, plant intake changes are occurring, but are often less noticeable. Milk supplies within the region remain tight to adequate. Some extra Southern milk continues to clear further north for manufacturing. Cream demand remains good. Flooding remains a problem in parts of the region, particularly in low lying areas where precipitation has been heavy recently and the snow melt has been rapid.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	FEB 27 - MAR 5	PREVIOUS YEAR
SLAUGHTER COWS	\$ 35.00- 42.00	\$ 31.00- 36.00
REPLACEMENT HEIFER CALVES	\$ 90.00-135.00	\$110.00-160.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	FEB 27 - MAR 5	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.50- 44.75	\$ 31.00- 36.00

## W E S T

Pool receipts of milk in California for January total 2.07 billion pounds, down 1.3% from December on a daily average basis but up 6.3% from January 1996. The blend price at a fat test of 3.83% is \$13.31. This is the highest fat test since January 1995. Class 1 use accounted for 24.2% of total receipts. The January quota price is \$13.94, up 13 cents from last month and 45 cents from last year. Base and overbase prices are \$12.24, up 15 cents from December 1996. The February 4a (butter/powder) price is \$12.19, up 61 cents from last month and \$1.71 from February 1996. The 4b (cheese) price is \$11.30, up 53 cents from last month but down 49 cents from last year. The February BFP price is \$12.46. Milk production patterns through the Southwestern part of the United States continue to increase seasonally. Overall weather conditions and temperatures are good for early March. In Arizona, temperatures are reported to be slightly higher than usual for this early in the season which may slow production increases. Winter feed supplies are basically exhausted and new crop supplies are becoming available which are further enhancing steady production gains. Milk output in the Pacific Northwest ranges from steady to strong. Weather conditions are very slowly turning into spring patterns. Pastures are growing very well, but conditions remain very wet. Only a few days per week are suitable for grazing. Limited green chopping is taking place. Fluid demand is steady. Manufacturing plants are increasing their weekly production runs. Hay prices, quality, and availability continue to be major topics of discussion by all animal agriculture in the Western region. Snow and colder temperatures have returned to the northern Mountain States region. Feed lots are very changeable; mud one week and reasonably dry the next. Some milk is moving around within the region to supplement areas that were harder hit than others by winter weather problems. Flooding concerns are also major topics of conservation in the region. Quite a few areas are sitting with a snow pack approaching 200% of normal and warmer temperatures just around the corner.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 03/06/97 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

Nonfat dry milk prices are mostly unchanged and the market tone is steady to unsettled. Demand is often weaker with many needs already filled. Offerings are available from plants. Resellers and Western producers are offering NDM priced under the Central mostly range, delivered. Output remains light in the region. U.S. production of human food NDM during January totaled 92.4 million pounds, 7% below last year and 9% less than last month. (Combined MN and WI production during January totaled 2,380,000 pounds.) Manufacturers' stocks at the end of January totaled 75.5 million pounds, 5% more than last year and 6% higher than last month.

Includes EXTRA GRADE and GRADE A, all heat treatments

NONFAT DRY MILK: 1.1350 - 1.1800 MOSTLY: 1.1400 - 1.1500

**DRY BUTTERMILK - CENTRAL**

Buttermilk prices are higher in light trading. The market tone remains firm. Offerings are limited from both producers and resellers. Good condensed sales are limiting production. Inventories are light. During January, U.S. dry buttermilk production totaled 5.5 million pounds, up 1% from last year and 19% higher than December. End-of-month stocks totaled 2.6 million pounds, down 42% from last year and 36% less than last month.

BUTTERMILK: 1.0200 - 1.0700

**DRY WHEY - CENTRAL**

Dry whey prices are marginally higher, but the market tone is leveling off. Producer offerings are increasing at more locations. Extra whey is also being offered from resellers at competitive prices. Stocks are light and building at some locations. U.S. production of human food whey during January totaled 87.6 million pounds, 6% higher than last year and 5% more than last month. End-of-January stocks, at 29.3 million pounds, are 16% less than last year and 6% lower than December.

NONHYGROSCOPIC: .2050 - .2200 MOSTLY: .2100 - .2150

**ANIMAL FEED WHEY - CENTRAL**

Prices are higher for roller ground, unchanged for all other types. Additional offerings of milk replacer are being marketed this week. Demand is light as buyers are taking a more wait-and-see attitude concerning prices. Roller ground whey demand is fair to good and supplies are in good balance. Delactose offerings are available from most plants with a steady market tone. January U.S. animal feed, dry whey production totaled 4.9 million pounds, 28% less than last year and 10% lower than last month. Month-ending stocks were 3.3 million pounds, 31% less than last year but 8% above last month. Animal feed, reduced lactose and minerals whey production during January totaled 2.4 million pounds, 25% higher than last year. All reduced lactose and mineral stocks (animal and human), at 6.6 million pounds, were 33% lower than last year.

MILK REPLACER: .1850 - .2050  
STANDARD: .1825 - .1975  
ROLLER GROUND: .2125 - .2275  
DELACTOSE (Min. 20% protein): .3600 - .3900

**LACTOSE - CENTRAL AND WEST**

Prices are steady to occasionally higher within the range. The market tone remains firm in limited spot trading. Supplies are tight at most production locations. Demand is good and often reaching to the resale trade and higher premiums to secure product. Production is mixed. Stocks are light. U.S. lactose production during January totaled 31.5 million pounds, 16% higher than last year but 5% less than last month. End-of-January stocks, at 16.8 million pounds, are 10% lower than last year and 1% less than last month.

Including spot sales and up to 3 month contracts.

EDIBLE: .2000 - .2700 MOSTLY: .2300 - .2550

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Whey protein concentrate prices are slightly higher, but levels are moderating. The market tone is steady to firm. Demand is light and not testing the limited producers' offerings. Some price resistance is noted. Buyers looking for specific brands are having to search the resale market to fill needs. Production is mixed. Stocks are light to moderate for current needs. U.S. production of human food WPC during January totaled 24.5 million pounds, a 72% increase from last year and 16% higher than last month. Manufacturers' stocks at the end of January totaled 8.4 million pounds, 14% more than last year but 17% below last month.

EXTRA GRADE 34% PROTEIN: .6000 - .6500 MOSTLY: .6150 - .6300

**NONFAT DRY MILK - WEST**

Western NDM markets are mixed as higher asking prices are receiving limited buyer interest. Often, producers that are asking higher prices or even price quotes of previous sales are not getting current sales. Buyers are not willing to pay the higher prices, thus not committing to any at this time. Due to lighter sales, inventories at more locations are building. During January, production of NDM in the U.S. totaled 92.4 million pounds, 7% lighter than January 1996 and 9% lighter than last month. Manufacturers' end of month stocks total 75.5 million pounds, 5% heavier than a year ago and 6% more than last month.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.1000 - 1.1600 MOSTLY: 1.1100 - 1.1250  
HIGH HEAT: 1.1300 - 1.1700

**DRY BUTTERMILK - WEST**

Buttermilk powder markets remain firm with prices higher and nominal. Buyer interest is strong, although spot sales activity is light due to limited volumes of buttermilk powder. Often, buttermilk powder is fully committed for the balance of the calendar year. Some producers are concerned about having sufficient stocks to meet contractual agreements, let alone having any stocks for spot sales. During January, buttermilk powder production totaled 5.5 million pounds, 1% more than last January and 19% heavier than December. Manufacturers' end of month stocks totaled 2.6 million pounds, 42% lighter than a year ago and 36% lighter than December.

BUTTERMILK: .9900 - 1.0600 MOSTLY: 1.0200 - 1.0450

**DRY WHEY - WEST**

Prices are generally steady for Western whey powder. Sales activity is moderate for the most part. More price resistance is noted from export buyers. Domestic orders are steady. Production is variable ranging from higher to lower. Stocks remain in very good shape. U.S. whey production in January totals 87.6 million pounds, up 6% from last year at this time. Stocks of whey at the end of the month total 29.3 million pounds, down 16% from the same period last year.

NONHYGROSCOPIC: .2025 - .2175 MOSTLY: .2025 - .2050

**CALIFORNIA MANUFACTURING PLANTS, SACRAMENTO, CA**

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended February 28, on powder sales of 9,624,919 pounds f.o.b. California manufacturing plants was \$1.1045 per pound. This compares to 8,107,624 pounds at \$1.1076 for the previous week ending February 21, 1997. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST AND SOUTHEAST**

Prices are steady to higher and the market tone is firm. Local production is steady to lighter. This week, less surplus milk is available in the Southeast and plants that were full are now down a day or two. Plant stocks are quite well balanced and more producers are comfortable with their supply situations. Demand is quite good, but not real aggressive. There is some resistance to higher prices. Production of human food, nonfat dry milk during January 1997 totaled 92.4 million pounds, down 7% from January 1996 and 9% less than December 1996. Month ending stocks, at 75.5 million pounds, are 5% more a year ago and 6% more than last month.

Includes EXTRA GRADE and GRADE A, all heat treatments

F.O.B. NORTHEAST:	1.1450 - 1.1900
DELVD SOUTHEAST:	1.1550 - 1.2050

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are steady to higher and the market tone is firm. Production levels are light to moderate, often lighter. Demand for dry buttermilk is very good and some resales are occurring above the high end of the range. Condensed buttermilk sales are improving seasonally. Producer stocks are tight. Dry buttermilk production during January 1997 totaled 5.5 million pounds, up 1% from January 1996 and 19% more than December 1996. Month ending stocks, at 2.6 million pounds, are 42% less than a year ago and 36% below last month.

F.O.B. NORTHEAST:	.9800 - 1.0400
DELVD SOUTHEAST:	1.0350 - 1.1050

**DRY WHOLE MILK - NATIONAL**

Prices are mostly steady, but expected to rise following an increase in the February Class III milk prices. Production is light to moderate and often geared to meeting orders/contracts. Demand is mostly for replacement needs. New export interest under DEIP is slow to develop. Dry whole milk production during January 1997 totaled 10.3 million pounds, down 28% from January 1996 and 22% less than December 1996. Month ending stocks, at 7.9 million pounds, are 8% more than a year ago and 22% more than last month.

F.O.B. PRODUCING PLANT:	1.2400 - 1.2900
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**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1996 THROUGH FEBRUARY 28, 1997  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	19,770	MT (43,584,942 LBS)
CHANGE	--	382	MT (842,157 LBS)
WHOLE MILK POWDER	--	1,060	MT (2,336,876 LBS)
CHANGE	--	20	MT (44,092 LBS)
CHEESE	--	1,245	MT (2,744,727 LBS)
CHANGE	--	196	MT (432,102 LBS)
BUTTERFAT	--	829	MT (1,827,613 LBS)
CHANGE	--	20	MT (44,092 LBS)

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are mostly steady to fractionally higher. The market tone is firm. However, market activity appears to be a little slow. Some contacts think that the market has leveled off and buyers are awaiting further developments. At current prices, export interest is just fair, but product does continue to move out of the country. Plant stocks are closely balanced with the steady demand. Production of human food, dry whey during January totaled 87.6 million pounds, 6% more than January 1996 and up 5% from December 1996. Month ending stocks, at 29.3 million pounds, are 16% below a year ago and 6% less than last month.

F.O.B. NORTHEAST:	EXTRA GRADE	.2100 - .2150
	USPH GRADE A	.2125 - .2175
DELVD SOUTHEAST:		.2200 - .2550

**ANIMAL FEED WHEY - NORTHEAST**

Prices continue to be too few to report. Milk replacer and other quality animal feed whey stocks are tight in the East. Depending on quality, any offers usually clear satisfactorily. Overall demand from animal feed buyers/makers is fair.

F.O.B. NORTHEAST:	MILK REPLACER	TFEWR
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**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. Production levels are mixed, mostly steady. Plant stocks are light and producers are working to replenish their inventories. Demand is seasonally slow to fair. Canned evaporated milk production during January 1997 totaled 34.0 million pounds, up 2% from January 1996 but 24% less than December 1996. Month ending stocks, at 20.6 million pounds, are 42% less than a year ago but 6% more than last month. The Kansas City Commodity office announced the purchase of 2,701,920 pounds of canned evaporated milk under EVD-1, invitation 300 at prices ranging \$.5382 - .6100 per pound for delivery in April 1997.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES  
\$22.50 - 33.00  
Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

Prices are unchanged for both casein types. The market tones are mostly unchanged with acid still weaker than rennet. Stocks of are fully adequate to ample on acid and closely balanced for rennet. Demand ranges from slow to fair.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	2.3000 - 2.4700
ACID:	2.1000 - 2.2500

MONTHLY SUMMARY AND AVERAGES FOR FEBRUARY 1997 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 6	REPORT NUMBER 7	REPORT NUMBER 8	REPORT NUMBER 9	1997	1996
	FEB 03 - 07	FEB 10 - 14	FEB 17 - 21	FEB 24 - 28	Average or Total	Average or Total
BUTTER						
CHICAGO (WSP) 2/ (Delivered in Bulk in Fiber Boxes) (Prices Issued Tues, Thurs and Fri)						
TUESDAY						
-- Grade AA	0.9500 - 0.9600	1.0150 - 1.0250	1.1500 - 1.1600	1.1500 - 1.1600		
-- Grade A	0.8850 - 0.8950	0.9300 - 0.9400	1.0500 - 1.0600	1.0500 - 1.0600		
THURSDAY						
-- Grade AA	0.9500 - 0.9600	1.0150 - 1.0250	1.1500 - 1.1600	1.1500 - 1.1600		
-- Grade A	0.8850 - 0.8950	0.9300 - 0.9400	1.0500 - 1.0600	1.0500 - 1.0600		
FRIDAY						
-- Grade AA	0.9500 - 0.9600	1.0150 - 1.0250	1.1500 - 1.1600	1.1500 - 1.1600	1.0713	0.7312
-- Grade A	0.8850 - 0.8950	0.9300 - 0.9400	1.0500 - 1.0600	1.0500 - 1.0600	0.9838	0.6642
CHICAGO MERCANTILE EXCHANGE 3/						
-- Grade AA	1.0150	1.1500	1.1500	1.1500	1.0734	0.7214
-- Grade A	0.9300	1.0500	1.0500	1.0500	0.9846	0.6521
-- Grade B	0.9200	1.0300	1.0300	1.0300	0.9693	0.6521
CENTRAL STATES PRINT (f.o.b. LTL)						
-- Grade AA, 1/4 Lb. Prints	1.0500 - 1.4575	1.1150 - 1.5225	1.2500 - 1.6575	1.2500 - 1.6575	1.3656	1.0228
-- Grade AA, 1 Lb. Prints	1.0150 - 1.1775	1.0800 - 1.2425	1.2150 - 1.3775	1.2150 - 1.3775	1.2081	0.8703
-- Grade AA, Chips/Patties	1.0400 - 1.2500	1.1050 - 1.3150	1.2400 - 1.4500	1.2400 - 1.4500	1.2568	0.9190
-- Grade AA, Reddies	1.1225 - 1.3600	1.1875 - 1.4250	1.3225 - 1.5600	1.3225 - 1.5600	1.3531	1.0153
-- Grade AA, Continentals	1.2800 - 1.4700	1.3450 - 1.5350	1.4800 - 1.6700	1.4800 - 1.6700	1.4868	1.1490
NORTHEAST PRINT (Delivered, LTL)						
-- Grade AA, 1/4 Lb. Prints	1.1600 - 1.3875	1.2250 - 1.4525	1.3600 - 1.5875	1.3600 - 1.5875	1.3856	1.0240
-- Grade AA, 1 Lb. Prints	1.0750 - 1.2575	1.1400 - 1.3225	1.2750 - 1.4575	1.2750 - 1.4575	1.2781	0.9553
-- Grade AA, Chips/Patties	1.1375 - 1.3075	1.2025 - 1.3725	1.3375 - 1.5075	1.3375 - 1.5075	1.3343	1.0015
-- Grade AA, Reddies	1.2125 - 1.4175	1.2775 - 1.4725	1.4125 - 1.6075	1.4125 - 1.6075	1.4232	1.0540
-- Grade AA, Continentals	1.2925 - 1.4675	1.3575 - 1.5325	1.4925 - 1.6675	1.4925 - 1.6675	1.4918	1.1640
CALIFORNIA PRINT (Delivered, LTL)						
-- Grade AA, 1/4 Lb. Prints	1.2350 - 1.2825	1.3000 - 1.3475	1.4350 - 1.4825	1.4350 - 1.4825	1.3706	1.0740
-- Grade AA, 1 Lb. Prints	1.1425 - 1.2250	1.2075 - 1.2900	1.3425 - 1.4250	1.3425 - 1.4250	1.2956	0.9603
-- Grade AA, Patties	1.1950 - 1.3725	1.2600 - 1.4375	1.3950 - 1.5725	1.3950 - 1.5725	1.3956	1.0678
-- Grade AA, Reddies	1.3225 - 1.3525	1.3875 - 1.4175	1.5225 - 1.5525	1.5225 - 1.5525	1.4493	1.1590
CALIFORNIA PLANTS PRINT (f.o.b. LTL)						
-- Grade AA, 1/4 Lb. Prints	0.9600 - 1.0125	1.0250 - 1.0775	1.1600 - 1.2125	1.1600 - 1.2125	1.0981	0.7490
CHEESE						
NATIONAL CHEESE EXCHANGE 3/						
-- Barrels	1.2800	1.2800	1.2800	1.2800	1.2757	1.3325
-- 40# Blocks	1.3175	1.3250	1.3250	1.3250	1.3124	1.3775
WISCONSIN ASSEMBLY POINTS (f.o.b.)						
-- Cheddar Barrels	1.2500 - 1.2725	1.2700 - 1.2925	1.2700 - 1.2900	1.2700 - 1.2900	1.2754	1.3403
-- Cheddar 40# Blocks	1.2650 - 1.3050	1.3175 - 1.3475	1.3150 - 1.3550	1.3250 - 1.3550	1.3225	1.3933
WISCONSIN (WSP, Delivered, LTL)						
-- Process American 5# Loaf	1.5500 - 1.5775	1.5500 - 1.5800	1.5775 - 1.6000	1.5775 - 1.6000	1.5759	1.6213
-- Brick And/Or Muenster 5#	1.5900 - 1.7325	1.5900 - 1.7750	1.6200 - 1.7825	1.6200 - 1.7825	1.6858	1.7425
-- Cheddar 40# Block	1.5275 - 1.9250	1.5700 - 1.9250	1.5775 - 1.9250	1.5775 - 1.9250	1.7437	1.7013
-- Monterey Jack 10#	1.7275 - 1.9250	1.7700 - 1.9250	1.7775 - 1.9250	1.7775 - 1.9250	1.8437	1.8025
-- Blue 5#	1.8800 - 2.1200	1.9225 - 2.1200	1.9300 - 2.1500	1.9300 - 2.1500	2.0245	2.0975
-- Provolone 10 - 12#	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR	1.8225
-- Mozzarella 5 - 6#	1.6300 - 1.9150	1.6300 - 1.9150	1.6600 - 1.9150	1.6600 - 1.9150	1.7796	1.7488
-- Grade A Swiss Cuts 6 - 9#	2.2400 - 2.5300	2.2400 - 2.5300	2.2400 - 2.5300	2.2400 - 2.5300	2.3850	2.2338
NORTHEAST (WSP, Delivered, LTL)						
-- Cheddar 10# Prints	1.3025 - 1.7575	1.3025 - 1.8000	1.3025 - 1.8075	1.3025 - 1.8075	1.5474	1.7275
-- Cheddar Single Daisies	1.2725 - 1.7525	1.2725 - 1.7950	1.2725 - 1.8025	1.2725 - 1.8025	1.5299	1.6838
-- Cheddar 40# Block	1.4125 - 1.5625	1.4550 - 1.6050	1.4625 - 1.6125	1.4625 - 1.6125	1.5224	1.5900
-- Process 5# Loaf	1.4700 - 1.6100	1.4825 - 1.6300	1.4825 - 1.6300	1.4825 - 1.6300	1.5520	1.6113
-- Process 5# Sliced	1.4900 - 1.6250	1.4925 - 1.6450	1.4925 - 1.6450	1.4925 - 1.6450	1.5658	1.6350
-- Muenster	1.4550 - 1.8600	1.4975 - 1.8600	1.5050 - 1.8600	1.5050 - 1.8600	1.6749	1.7075
-- Grade A Swiss Cuts 10 - 14#	2.2500 - 2.5050	2.2500 - 2.5050	2.2500 - 2.5050	2.2500 - 2.5050	2.3775	2.1588
WEST COAST (WSP, Delivered, LTL)						
-- Process 5# Loaf	1.4525 - 1.7800	1.4725 - 1.7125	1.4725 - 1.7125	1.4725 - 1.7125	1.5988	1.6550
-- Cheddar 40# Block	1.4875 - 1.7350	1.5000 - 1.7300	1.5075 - 1.7300	1.5075 - 1.7300	1.6158	1.6413
-- Cheddar 10# Cuts	1.6975 - 1.8400	1.7400 - 1.8400	1.7475 - 1.8475	1.7475 - 1.8475	1.7880	1.8738
-- Monterey Jack 10#	1.6775 - 1.8050	1.6800 - 1.8025	1.6875 - 1.8100	1.6875 - 1.8100	1.7448	1.7713
-- Grade A Swiss Cuts 6 - 9#	2.3375 - 2.5700	2.3200 - 2.3525	2.3200 - 2.3525	2.3200 - 2.3525	2.3672	2.2163



MONTHLY SUMMARY AND AVERAGES FOR FEBRUARY 1997 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 6	REPORT NUMBER 7	REPORT NUMBER 8	REPORT NUMBER 9	1997 Average	1996 Average
	FEB 03 - 07	FEB 10 - 14	FEB 17 - 21	FEB 24 - 28	or Total	or Total
FLUID AND DRY PRODUCTS						
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)						
Delivered Equivalent:						
-- Northeast	1.1328 - 1.2213	1.1625 - 1.3020	1.3125 - 1.4490	1.3440 - 1.4700	1.2950	0.8643
-- Atlanta	1.1063 - 1.3405	1.1625 - 1.4309	1.3125 - 1.6185	1.3335 - 1.6185	1.3601	0.9413
-- Upper Midwest	1.1505 - 1.2302	1.1904 - 1.2927	1.4070 - 1.4595	1.4070 - 1.4805	1.3216	0.8812
SPOT PRICES OF CONDENSED SKIM (\$ per lb. wet solids)						
Delivered Equivalent:						
-- Northeast	1.1300 - 1.2200	1.1300 - 1.2200	1.0600 - 1.1800	1.0500 - 1.1900	1.1489	1.3575
WISCONSIN FLUID MILK SHIPMENTS						
-- Loads Shipped from Wisconsin Shipping Points	0	0	0	0	0	23
NATIONAL EVAPORATED MILK (\$ per Case)						
(Case - 48 - 12 fluid oz cans)						
-- Delivered Major U.S. Cities	22.5000 - 33.0000	22.5000 - 33.0000	22.5000 - 33.0000	22.5000 - 33.0000	27.7500	24.3750
NONEFAT DRY MILK						
-- Central (f.o.b.)						
-- Extra And Grade A	1.1250 - 1.1500	1.1300 - 1.1700	1.1300 - 1.1800	1.1350 - 1.1750	1.1491	1.1084
-- Mostly	1.1300 - 1.1400	1.1400 - 1.1500	1.1400 - 1.1500	1.1400 - 1.1500	1.1424	1.1069
-- West (f.o.b.)						
-- Low/Medium Heat	1.0900 - 1.1300	1.0950 - 1.1350	1.0950 - 1.1400	1.0950 - 1.1600	1.1175	1.0778
-- Mostly	1.1100 - 1.1300	1.1200 - 1.1300	1.1200 - 1.1300	1.1200 - 1.1300	1.1237	1.0746
-- High Heat	1.1250 - 1.1500	1.1300 - 1.1500	1.1350 - 1.1550	1.1350 - 1.1700	1.1437	1.0985
-- Northeast (f.o.b.)						
-- Extra & Grade A	1.1300 - 1.1900	1.1400 - 1.1900	1.1400 - 1.1900	1.1350 - 1.1900	1.1630	1.1264
-- Southeast (Delvd)						
-- Extra & Grade A	1.1450 - 1.2200	1.1450 - 1.2200	1.1500 - 1.2200	1.1550 - 1.1950	1.1811	1.1418
WHEY POWDER (Nonhygroscopic)						
-- Central (f.o.b.)	0.1900 - 0.2100	0.1950 - 0.2125	0.2000 - 0.2150	0.2000 - 0.2200	0.2052	0.2309
-- Mostly	0.1950 - 0.2000	0.2000 - 0.2050	0.2050 - 0.2100	0.2050 - 0.2150	0.2042	0.2239
-- West (f.o.b.)	0.1975 - 0.2075	0.1950 - 0.2150	0.2000 - 0.2150	0.2000 - 0.2200	0.2062	0.2496
-- Mostly	0.1975 - 0.2050	0.2000 - 0.2050	0.2000 - 0.2050	0.2025 - 0.2050	0.2025	0.2484
-- Northeast Extra Grade (f.o.b.)	0.1900 - 0.2000	0.1975 - 0.2050	0.2000 - 0.2050	0.2075 - 0.2125	0.2022	0.2290
-- Northeast Usph Grade A(f.o.b.)	0.1950 - 0.2000	0.1975 - 0.2050	0.2000 - 0.2125	0.2125 - 0.2150	0.2046	0.2365
-- Southeast Extra Grade (Delvd)	0.2000 - 0.2325	0.2075 - 0.2350	0.2100 - 0.2450	0.2175 - 0.2550	0.2252	0.2570
WHEY PROTEIN CONCENTRATE						
-- Central And West (f.o.b.)						
-- Extra Grade 34% Protein	0.5800 - 0.6300	0.5850 - 0.6350	0.5900 - 0.6400	0.6000 - 0.6400	0.6124	0.5713
-- Mostly	0.6000 - 0.6100	0.6050 - 0.6200	0.6100 - 0.6250	0.6125 - 0.6275	0.6136	0.5788
ANIMAL FEED - WHEY						
-- Central (f.o.b.)						
-- Milk Replacer	0.1800 - 0.1925	0.1800 - 0.1975	0.1825 - 0.2025	0.1850 - 0.2050	0.1905	0.2108
-- Standard	0.1700 - 0.1850	0.1750 - 0.1950	0.1825 - 0.1975	0.1825 - 0.1975	0.1854	TFEWR
-- Roller Ground	0.1950 - 0.2075	0.2000 - 0.2150	0.2050 - 0.2200	0.2100 - 0.2250	0.2095	0.2349
-- Delactose	0.3500 - 0.3800	0.3600 - 0.3800	0.3600 - 0.3900	0.3600 - 0.3900	0.3711	0.3268
-- Northeast (f.o.b.)						
-- Milk Replacer	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR
BUTTERMILK (Min. 30% protein)						
-- Central (f.o.b.)	0.9500 - 1.0000	0.9700 - 1.0300	1.0000 - 1.0300	1.0000 - 1.0500	1.0032	0.9249
-- West (f.o.b.)	0.8800 - 0.9750	0.9000 - 0.9800	0.9400 - 1.0000	0.9800 - 1.0500	0.9628	0.9073
-- Mostly	0.9400 - 0.9700	0.9600 - 0.9750	0.9700 - 0.9800	1.0000 - 1.0050	0.9750	0.9145
-- Northeast (f.o.b.)	0.9500 - 1.0000	0.9500 - 1.0100	0.9750 - 1.0200	0.9750 - 1.0400	0.9896	0.9290
-- Southeast (Delvd)	0.9800 - 1.0150	0.9850 - 1.0400	0.9850 - 1.0550	1.0000 - 1.0750	1.0167	0.9651
WHOLE MILK POWDER						
-- National						
-- F.O.B. Producing Plant	1.2500 - 1.2700	1.2500 - 1.2900	1.2500 - 1.2900	1.2400 - 1.2900	1.2661	1.2100
LACTOSE						
-- Central And West (f.o.b.)	0.2000 - 0.2700	0.2000 - 0.2700	0.2000 - 0.2700	0.2000 - 0.2700	0.2350	0.1750
-- Mostly	0.2300 - 0.2500	0.2300 - 0.2500	0.2300 - 0.2550	0.2300 - 0.2550	0.2412	0.1700
CASEIN - Edible - National (f.o.b.)						
-- Nonrestricted - Rennet	2.3500 - 2.4700	2.3000 - 2.4700	2.3000 - 2.4700	2.3000 - 2.4700	2.3916	2.6500
-- Nonrestricted - Acid	2.1500 - 2.2500	2.1000 - 2.2500	2.1000 - 2.2500	2.1000 - 2.2500	2.1816	2.7000

1/ Prices for all products not footnoted 2/ or 3/ are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing. 2/ The monthly averages are simple averages of all the prices reported during the month and are shown on the Friday line. 3/ The monthly averages are based on the exchange trading date prices and are time-weighted for each day, starting with the exchange trading date, until the next exchange trading date - Saturdays, Sundays, and National Holidays are included.

**FEBRUARY 1997 DEIP BID ACCEPTANCE**

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
<b>NONFAT DRY MILK</b>				
JULY - JANUARY 1997		17,776		
02/03	CARIBBEAN,CENT & S. AM	1,000	FEB-MAR	\$669
02/06	CARIBBEAN,CENT & S. AM	38	FEB-MAR	\$760
02/07	CARIBBEAN,CENT & S. AM	119	FEB-MAR	\$750
02/10	CARIBBEAN,CENT & S. AM	180	FEB-MAY	\$755.56
02/12	CARIBBEAN,CENT & S. AM	20	FEB-MAR	\$760
02/14	CARIBBEAN,CENT & S. AM	255	FEB-MAR	\$760
02/24	CARIBBEAN,CENT & S. AM	119	FEB-APR	\$766.43
02/25	CARIBBEAN,CENT & S. AM	155	MAR-APR	\$790
02/26	CARIBBEAN,CENT & S. AM	40	MAR-APR	\$775
02/28	CARIBBEAN,CENT & S. AM	68	MAR-APR	\$752.50
FEBRUARY 1 - 28, 1997		<u>1,994</u>		
PROGRAM TO DATE		19,770		
<b>WHOLE MILK POWDER</b>				
JULY - JANUARY 1997		1,020		
02/03	CARIBBEAN,CENT & S. AM	20	FEB-MAR	\$915
02/21	CARIBBEAN,CENT & S. AM	20	MAR	\$1,010
FEBRUARY 1 - 28, 1997		<u>40</u>		
PROGRAM TO DATE		1,060		
<b>CHEESE</b>				
JULY - JANUARY 1997		813		
02/03-P	CARIBBEAN,CENT & S. AM	38	FEB-MAY	\$515
02/06-P	CARIBBEAN,CENT & S. AM	100	FEB-MAY	\$540
02/14-M	AFRICA & MIDDLE EAST	22	FEB-MAY	\$645
02/19-M	AFRICA & MIDDLE EAST	66	FEB-MAY	\$735.33
02/24-M	AFRICA & MIDDLE EAST	206	FEB-MAY	\$712
FEBRUARY 1 - 28, 1997		<u>432</u>		
PROGRAM TO DATE		1,245		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN CHEESE, CC-CREAM CHEESE				
<b>BUTTEROIL/ANHYDROUS MILKFAT</b>				
JULY - JANUARY 1997		671*		
02/05-A	CARIBBEAN,CENT & S. AM	110	FEB-APR	\$1,097
02/28-B	CARIBBEAN,CENT & S. AM	20	MARCH	\$895
FEBRUARY 1 - 28, 1997		<u>829*</u>		
PROGRAM TO DATE		829*		
A-ANHYDROUS, O-BUTTEROIL, B-BUTTER				
*TOTALS DO NOT ADD DUE TO CONVERSION OF ANHYDROUS TO BUTTER EQUIVALENT				
				PROGRAM-TO-DATE
TOTAL MT				22,904
TOTAL BONUS VALUE				\$17,893,000

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds.

**SOURCE: FOREIGN AGRICULTURAL SERVICE**

## U.S. IMPORTS AND EXPORTS OF DAIRY PRODUCTS, 1995 ANNUAL, AND JANUARY-OCTOBER 1995 AND 1996

COMMODITY SUMMARY OF U.S. IMPORTS OF DAIRY PRODUCTS <sup>1/</sup>

Commodity	Quantity (in Metric Tons)			Value (In \$1,000)		
	Jan.-Dec. 1995	Jan.-Oct. 1995	Jan.-Oct. 1996	Jan.-Dec. 1995	Jan.-Oct. 1995	Jan.-Oct. 1996
Milk and Cream <sup>2/</sup>	3,579	2,783	5,517	3,893	3,011	6,119
Other Fluid Products <sup>2/</sup>	280	280	145	3,350	2,656	2,674
Dried Dairy Products	3,201	2,226	8,771	3,497	2,459	11,266
Cheese, Quota	108,466	80,815	84,292	364,039	270,123	296,893
Cheese, Nonquota	48,550	40,353	32,627	197,023	160,236	148,712
Butter	697	615	3,923	1,628	1,237	7,886
Casein	65,806	55,479	55,485	305,956	254,165	281,000
Milk Protein Concentrate	10,296	8,755	13,323	35,876	29,430	49,733
Other, Dairy Products	13,178	10,972	10,474	33,728	27,090	28,342
Total <sup>3/</sup>	---	---	---	948,990	750,407	832,625

<sup>1/</sup> Data may differ from U.S. Customs Service data, which is used to administer dairy import quotas. Differences are due to transshipments, errors in classification, and processing lags. <sup>2/</sup> Quantity for fluid dairy products shown in kiloliters. <sup>3/</sup> Total volume not shown due to the use of mixed units.

## COMMODITY SUMMARY OF U.S. EXPORTS OF DAIRY PRODUCTS

Commodity	Quantity (in Metric Tons) <sup>1/</sup>			Value (In \$1,000)		
	Jan.-Dec. 1995	Jan.-Oct. 1995	Jan.-Oct. 1996	Jan.-Dec. 1995	Jan.-Oct. 1995	Jan.-Oct. 1996
Butter & Milkfat	37,689	36,237	19,970	62,601	59,695	40,259
Cheese & Curd	29,516	24,230	26,921	89,404	72,517	85,796
Casein	3,607	3,094	2,479	18,477	15,607	14,513
Dry Whole Milk & Cream	64,297	52,894	14,401	101,911	85,425	17,116
Condensed & Evaporated Milk	41,378	11,364	37,401	21,801	8,492	20,437
Nonfat Dry Milk	59,311	54,908	17,182	115,188	106,678	32,740
Ice Cream	37,827	33,096	34,801	83,736	72,742	77,885
Whey	---	---	---	97,606	81,917	103,107
Yogurt & Other Fermented Milk	---	---	---	14,701	12,242	7,942
Other Dairy Products	---	---	---	151,515	120,836	174,268
Total <sup>1/</sup>	---	---	---	756,940	636,151	574,063
Fluid Milk & Cream <sup>2/</sup>	27,109	19,581	29,924	21,140	15,234	22,850
Total Milk & Products <sup>1/</sup>	---	---	---	778,080	651,385	596,913

<sup>1/</sup> Volume information for whey, yogurt and other fermented milk, other dairy products, and total milk and products is not available as these commodities are reported in mixed units. <sup>2/</sup> Quantity for fluid milk and cream shown in kiloliters.

**SOURCE:** "Foreign Agriculture Circular: Dairy, Livestock, and Poultry: U.S. Trade and Prospects", FDLP 12-96, December 1996, U.S. Department of Agriculture, Foreign Agricultural Service, Washington, DC. Data provided by U.S. Department of Commerce, Bureau of the Census.

## JANUARY 1997 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 125.4 million pounds in January, slightly below January 1996 but 13 percent above December 1996. **AMERICAN TYPE CHEESE** production totaled 281.1 million pounds, 2 percent above January 1996 but 1 percent below December 1996. **TOTAL CHEESE** output (excluding cottage cheese) was 599.1 million pounds, 2 percent above January 1996 but 5 percent below December 1996. **NONFAT DRY MILK** production, for human food, totaled 92.4 million pounds, 7 percent below January 1996 and 9 percent below December 1996. **DRY WHEY** production, for human food, was 87.6 million pounds, 6 percent above January 1996 and 5 percent above December 1996. **ICE CREAM** (hard) production totaled 58.5 million gallons, 8 percent above January 1996 and 13 percent above December 1996.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	JAN 1997	PERCENT OF:		YEAR TO DATE 1/ PERCENT	PRODUCT	JAN 1997	PERCENT OF:		YEAR TO DATE 1/ PERCENT
	1,000 LBS.	JAN 1996	DEC 1996			1,000 LBS.	JAN 1996	DEC 1996	
BUTTER	125,386	100	113	100	DRY BUTTERMILK	5,537	101	119	---
CHEESE					YOGURT (PLAIN AND FLAVORED)	134,869	128	120	---
AMERICAN TYPES 2/	* 281,148	102	99	102	CONDENSED WHEY, SOLIDS CONTENT 8/				
CHEDDAR	217,219	---	99	---	SWEET-TYPE, HUMAN FOOD	6,864	139	92	---
SWISS	17,277	113	97	---	SWEET-TYPE, ANIMAL FEED	2,103	72	98	---
BRICK & MUENSTER	8,798	85	90	---	DRY WHEY PRODUCTS				
CREAM & NEUFCHATEL	41,243	104	80	---	DRY WHEY, HUMAN FOOD	87,629	106	105	---
BLUE	3,216	116	87		DRY WHEY, ANIMAL FEED	4,864	72	90	---
HISPANIC	5,109	---	93		TOTAL DRY WHEY 9/	92,493	103	104	103
MOZZARELLA	187,968	101	95	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	31,520	116	95	---
OTHER ITALIAN TYPES	46,191	110	97	---	WHEY PROTEIN CONCENTRATE				
TOTAL ITALIAN TYPES	234,159	102	95	102	HUMAN FOOD	24,547	172	116	---
ALL OTHER TYPES 3/	8,119	62	85	---	ANIMAL FEED	2,925	95	90	---
TOTAL	599,069	102	95	102					
COTTAGE CHEESE, CURD 4/	35,965	101	106	---	FROZEN PRODUCTS		1,000 GALLONS		PERCENT
COTTAGE CHEESE, CREAMED 5/	28,607	96	105	96	ICE CREAM (HARD)	58,522	108	113	108
COTTAGE CHEESE, LOWFAT 6/	26,851	107	110	107	ICE CREAM, LOWFAT (HARD)	8,677	111	125	---
CANNED EVAPORATED & CONDENSED					ICE CREAM, LOWFAT (SOFT)	14,801	120	113	---
WHOLE MILK	34,060	102	76	---	ICE CREAM, LOWFAT (TOTAL)	23,478	116	117	116
DRY WHOLE MILK	10,323	72	78	---	SHERBET (HARD)	3,450	100	109	100
NONFAT DRY MILK, HUMAN FOOD	7/ 92,372	93	91	93	YOGURT	5,840	79	85	79
DRY SKIM MILK FOR ANIMAL FEED	525	72	72	---					

1/ 1997 cumulative as percent of 1996 cumulative. 2/ Whole milk cheese, including Cheddar, colby, washed curd, stirred curd, monterey and jack. 3/ Does not include Part Skim cheese beginning January 1996 or Hispanic cheese beginning June 1996. 4/ Mostly used for processing into creamed or lowfat cottage cheese. 5/ Fat content 4 percent or more. 6/ Fat content less than 4 percent. 7/ Includes combined Minnesota and Wisconsin production of 2,380,000 lbs. 8/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 9/ Excludes all modified dry whey products. 10/ Stocks held by manufacturers at all points and in transit. 11/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. \*Includes combined Minnesota and Wisconsin production of 129,522,000 lbs.

SOURCE: "Dairy Products," Da 2-6 (3-97), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

## FEBRUARY AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in February 1997 was unchanged at 116. Compared with February 1996, the index was up 3 points (2.7 percent). The index of prices received by farmers for dairy products declined 1 point during the month of February 1997 to 102. Compared with February 1996, the index was down 4 points (3.8 percent).

On a 3.5 percent butterfat basis, prices received by farmers in February with changes from January were: for All Milk, \$13.06 per hundredweight (cwt.), down 13 cents; for Fluid Grade Milk, \$13.07 per cwt., down 12 cents; and for Manufacturing Grade Milk, \$11.82 per cwt., up 5 cents.

## SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., FEBRUARY 1997 WITH COMPARISONS

STATE	All-milk price <u>1/</u> <u>3/</u>				Milk cows <u>5/</u>		Cows <u>6/</u>		All hay baled <u>7/</u>	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	JANUARY		FEBRUARY		FEBRUARY		FEBRUARY		FEBRUARY	
	1997 <u>2/</u>	1996 <u>2/</u>	1997 <u>4/</u>	1996 <u>2/</u>	1997	1996	1997 <u>7/</u>	1996 <u>8/</u>	1997	1996
CA	12.42	12.30	11.93	12.37	PRICES PUBLISHED JANUARY, APRIL, JULY AND OCTOBER		29.00	31.50	131.00	98.00
IA	12.43	13.16	12.19	13.02			32.30	32.20	112.00	82.00
MI	13.59	14.09	12.94	13.83			32.00	32.90	118.00	64.00
MN	13.01	13.82	13.39	13.59			33.00	31.90	96.00	80.00
NY	13.02	14.02	13.05	13.76			---	---	86.00	96.00
OH	13.17	13.93	12.89	13.89			29.00	29.80	169.00	87.00
PA	13.72	14.56	13.56	14.52			32.60	32.70	134.00	102.00
TX	13.77	14.15	13.17	13.91			30.80	30.30	86.00	63.00
WA	12.72	13.35	12.44	13.17			---	---	113.00	102.00
WI	13.06	13.72	13.47	13.64			33.60	33.30	119.00	62.00
U.S.	13.19	13.80	13.06	13.65			32.20	32.10	105.00	81.20

1/ Prices converted to 3.5 percent butterfat. 2/ Partially revised. 3/ Before deductions for hauling, and Government withholding; but including bulk-tank, quantity, or other premiums, excluding hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Average prices received by farmers. Includes cull dairy cows and beef cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

MILK AND PARITY PRICE RELATIONSHIPS AND OTHER GENERAL PRICE MEASURES, U.S., FEBRUARY 1997 WITH COMPARISONS 1/

ITEM		FEBRUARY 1996	JANUARY 1997 <u>2/</u>	FEBRUARY 1997 <u>3/</u>
<b>PRICES</b> (converted to 3.5 percent butterfat) received by farmers for:				
All milk	Dol. per cwt.	13.65	13.19	13.06
Fluid grade milk	Dol. per cwt.	13.75	13.19	13.07
Manufacturing grade milk	Dol. per cwt.	12.39	11.77	11.82
<b>INDEX NUMBERS</b> for:				
Prices received by farmers for dairy products (1990-92 = 100)	Index	106	103	102
Prices paid by farmers for commodities and services, interest taxes, and wage rates (1990-92=100)	Index	113	116	116
<b>PARITY PRICE</b> for all milk	Dol. per cwt.	28.30	29.20	29.40
<b>PARITY EQUIVALENT</b> price for manufacturing grade milk	Dol. per cwt.	25.87	26.51	26.70
<b>MILK FEED PRICE RATIO:</b> Pounds of concentrate ration fed to milk cows equal in value to one pound of milk <u>4/</u>		1.62	1.52	1.51

1/ Parity prices are based on data for the current month. Parity price equivalent during 1997 is 90.8% of the parity price of all milk sold to plants, compared with 91.4% in 1996. 2/ Partially revised. 3/ Preliminary. 4/ Computed by Dairy Division, AMS, USDA; based on concentrate ration value as reported quarterly in "Milk Production", NASS, USDA.

**SOURCE:** "Agricultural Prices," Pr 1 (2/97), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

## ANNUAL PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS, 1996

Federal Milk Order Marketing Area	Class I Price per Hundredweight <u>1/</u>		Blend Price per Hundredweight <u>1/</u>		Total Producer Deliveries		Producer Deliveries used in Class I		Class I Utilization Percentage	
	1996	Change from 1995	1996	Change from 1995	1996	Change from 1995 <u>2/</u>	1996	Change from 1995 <u>2/</u>	1996	1995
	Dollars				Mil. lbs.	Percent	Mil. lbs.	Percent	Percent	
<b>NORTH ATLANTIC</b>										
New England	16.88	2.01	15.32	2.00	5,383	0	2,599	0.7	48.3	47.9
New York-New Jersey	16.75	1.98	15.10	1.83	11,721	-2.1	4,784	-0.7	40.8	40.3
Middle Atlantic	16.73	2.07	14.97	2.01	6,092	-2.2	2,903	4.4	47.7	44.7
Regional Av. or Total	16.78	2.02	15.12	1.92	23,196	-1.6	10,286	1.0	44.3	43.2
<b>SOUTH ATLANTIC</b>										
Carolina	16.70	2.00	16.15	2.11	2,623	0.9	2,165	8.3	82.5	76.9
Tennessee Valley	16.41	2.02	15.81	2.11	1,372	-4.8	1,079	1.8	78.6	73.6
Southeast <u>3/</u>	16.70	1.93	15.99	1.94	5,108	-6.3	4,120	-2.0	80.7	77.2
Florida Markets <u>4/</u>	17.46	1.95	16.87	1.83	2,777	-1.1	2,440	-0.8	87.8	87.6
Regional Av. or Total <u>5/ 6/</u>	16.86	1.96	16.21	1.98	11,880	-3.4	9,803	0.8	82.5	79.1
<b>EAST NORTH CENTRAL</b>										
Mich Upper Peninsula	14.99	2.01	14.61	1.92	64	1.1	50	3.7	78.3	76.3
Southern Michigan*	15.35	1.98	14.34	1.91	4,474	-3.9	2,071	-0.3	46.3	44.6
East. Ohio-West. Pa.	15.63	2.00	14.64	1.91	3,282	-5.8	1,754	-2.5	53.5	51.6
Ohio Valley*	15.68	2.01	14.79	1.93	2,977	3.2	1,678	6.2	56.4	54.8
Indiana*	15.54	2.01	14.80	1.97	1,917	-1.6	1,188	0.9	62.0	60.5
Chicago Regional*	15.04	2.01	13.64	1.58	12,523	-12.4	2,554	1.2	20.4	17.7
Central Illinois	15.24	2.00	14.92	2.10	175	-13.9	142	2.2	81.2	68.4
S. Ill.-E. Missouri*	15.52	1.97	14.71	1.93	1,932	-14.7	1,103	-4.5	57.1	51.0
Louis. -Lex. -Evans.	15.71	1.97	15.21	2.07	1,042	-6.7	811	-0.2	77.9	72.8
Regional Av. or Total	15.43	2.00	14.21	1.80	28,386	-8.2*	11,354	0.3	40.0	36.6
<b>WEST NORTH CENTRAL</b>										
Upper Midwest*	14.86	2.03	13.50	1.60	8,402	-9.5	1,647	3.0	19.6	17.2
Iowa*	15.19	2.01	13.95	1.69	2,695	-7.1	973	-1.1	36.1	33.9
Nebraska-Western Iowa*	15.39	2.01	13.99	1.72	1,490	-12.6	610	1.9	41.0	35.2
G. K. C.-E. S. D.-B. H. <u>7/</u>	15.17	1.62	15.09	1.96	662	-0.9	342	-23.1	51.7	66.6
Regional Av. or Total <u>6/</u>	15.06	2.02	13.65	1.63	12,587	-9.4*	3,230	1.5	25.7	22.9

Continued

## ANNUAL PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS, 1996

Federal Milk Order Marketing Area	Class I Price per Hundredweight <u>1/</u>		Blend Price per Hundredweight <u>1/</u>		Total Producer Deliveries		Producer Deliveries used in Class I		Class I Utilization Percentage	
	1996	Change from 1995	1996	Change from 1995	1996	Change from 1995 <u>2/</u>	1996	Change from 1995 <u>2/</u>	1996	1995
	Dollars				Mil. lbs.	Percent	Mil. lbs.	Percent	Percent	
<b>WEST SOUTH CENTRAL</b>										
Southwest Plains	16.42	2.03	14.94	2.06	3,514	-13.1	1,503	-1.0	42.8	37.6
Texas	16.81	2.03	15.05	1.87	6,561	-0.3	3,260	4.3	49.7	47.5
Regional Av. or Total	16.68	2.03	15.02	1.96	10,075	-5.2	4,763	2.5	47.3	43.7
<b>MOUNTAIN</b>										
Eastern Colorado <u>8/</u>	16.37	2.02	14.82	1.80	1,784	0.8	812	3.2	45.5	44.4
S.W. Idaho-E. Oregon*	15.14	2.02	13.57	1.66	2,622	21.1	180	0.2	6.9	8.3
Great Basin	15.54	2.01	14.33	1.80	2,540	5.4	877	4.2	34.5	34.9
Central Arizona	16.14	2.00	14.46	1.70	2,383	5.5	1,031	-0.8	43.3	46.0
New Mexico-West Texas*	15.97	2.00	14.07	1.68	2,121	13.6	681	-2.0	32.1	37.2
Regional Av. or Total <u>5/</u>	15.96	2.00	14.21	1.70	11,450	9.4*	3,581	1.1	31.3	33.8
<b>PACIFIC</b>										
Pacific Northwest*	15.54	2.02	13.96	2.07	6,265	-2.2	2,130	1.7	34.0	32.7
Regional Av. or Total	15.54	2.02	13.96	2.07	6,265	-2.2*	2,130	1.7	34.0	32.7
30-Market Av. or Total <u>5/</u> <u>6/</u>	16.20	2.00	14.64	1.86	103,839	-4.0*	45,147	1.0	43.5	41.3
All-Market Av. or Total <u>5/</u>	16.19	2.00	14.64	1.85	104,501	-4.0	45,490	0.8	43.5	41.5

\* Because the blend price adjusted for location was at or below the Class III price in certain zones of these markets, handlers elected not to pool in 1996, about 7.8 billion pounds, and in 1995, about 5.3 billion pounds of milk that normally would have been pooled under these orders. The majority of this milk would have been pooled in the East North Central, West North Central, and Pacific regions.

1/ Prices are for milk of 3.5 percent butterfat content and for the major city in the marketing area. All averages are weighted. 2/ Percentages changes have been adjusted for the different number of days in 1995 and 1996. 3/ New marketing area. Effective July 1, 1995, the Georgia, Alabama-West Florida, New Orleans-Mississippi, Central Arkansas, and Greater Louisiana marketing areas were merged to form the Southeast marketing area. The new marketing area is comparable. The figures for January-June 1995 are the summation or weighted averages of the data for the five merged markets. Figures for 1995 also include data for the Paducah order. The handler formerly regulated under this order, which was terminated November 1, 1995, now is regulated under the Southeast order. 4/ The price data are for Tampa Bay; the remaining data are for the Tampa Bay, Upper Florida, and Southeastern Florida marketing areas which have been combined in order to mask restricted data. 5/ Regional and total market price averages exclude where applicable, Upper Florida, Southeastern Florida, and Western Colorado. Total market price averages also exclude Eastern South Dakota and Black Hills. Some of the data used to weight the monthly prices were restricted. 6/ Figures are based on the same group of comparable markets--markets where the orders were in effect the entire period 1995-96, and for which the data were not affected significantly by marketing area changes; excludes Greater Kansas City, Eastern South Dakota, and Black Hills, where applicable. See 7/. For 1995, the data for Paducah have been combined with the data for Southeast. See 3/. 7/ The price data are for Greater Kansas City; the remaining data are for the Greater Kansas City, Eastern South Dakota and Black Hills marketing areas which have been combined in order to mask restricted data. Effective October 1, 1996, the order regulating the Black Hills marketing area was terminated. 8/ The price data are for Eastern Colorado; the remaining data are for the Eastern Colorado and Western Colorado marketing areas which have been combined in order to mask restricted data.

### CCC PURCHASES OF DAIRY PRODUCTS

[illegible]

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	<u>BASIS</u>	<u>SOLIDS</u>		<u>BASIS</u>	<u>SOLIDS</u>
WEEK OF MARCH 3 - 7, 1997 =	0.0	0.0	COMPARABLE WEEK IN 1996 =	0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 1996 =	4.5	4.8	CUMULATIVE SAME PERIOD LAST YEAR =	0.0	0.0
CUMULATIVE JANUARY 1 - MARCH 7, 1997 =	4.5	4.8	COMPARABLE CALENDAR YEAR 1996 =	0.0	0.0

\* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/96 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL															
:	BUTTER			:	CHEESE			:	NONFAT DRY MILK			:	MILK EQUIVALENT		
REGION	1996/97	:	1995/96	:	1996/97	:	1995/96	:	1996/97	:	1995/96	:	1996/97	:	1995/96
MIDWEST	-0-	:	-0-	:	483,600	:	-0-	:	-0-	:	-0-	:	100.0	:	0.0
WEST	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	0.0	:	0.0
EAST	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	0.0	:	0.0
TOTAL	-0-	:	-0-	:	483,600	:	-0-	:	-0-	:	-0-	:	100.0	:	0.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1997

MANUFACTURING MILK: Average Test 3.67% - \$10.20 per cwt.; 3.5% - \$10.10

DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 & 60# Blocks \$1.1300; 500# Barrels \$1.1000; Process American 5# \$1.1825; Process American 2# \$1.2225

NONFAT DRY MILK: Nonfortified \$1.0470; Fortified \$1.0570; Instant \$1.2045

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 02/15/97 & Comparable Week 1996

Regions*		1	2	3	4	5	6	7	8	9	10	U.S. TOTAL		% DAIRY OF ALL	
												WEEK	SINCE JAN 1	WEEK	SINCE JAN 1
1997-Dairy cows	HD (000)	0.4	1.4	6.8	6.5	24.1	3.3	3.7	1.4	11.1	3.5	62.1	444.1	49.2	46.0
1996-Dairy cows	HD (000)	0.5	1.3	8.1	7.1	25.0	3.0	6.8	2.0	10.5	3.5	67.7	427.2	45.9	46.2
1997-All cows	HD (000)	0.4	1.4	9.2	16.9	33.4	14.9	21.1	10.3	12.3	6.3	126.2	965.9		
1996-All cows	HD (000)	0.5	1.3	10.8	18.4	36.3	22.6	25.1	13.4	12.0	7.1	147.6	924.4		

\*For source, states included in each region, and historical data, see "Dairy Market News", Vol. 55, Report No. 31

### CCC MARKET PRICE PURCHASES

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/96 = 37,759,764

CUMULATIVE TOTAL NDM PURCHASES SINCE 10/1/96 = 6,688,028

BASIC FORMULA PRICE (BFP), MAY 1995\* TO DATE & HISTORIC M-W (3.5% BF, \$/CWT.)

[illegible]